

No. 7/32/DPM

Jakarta, August 1, 2005

CIRCULAR LETTER
to
ALL COMMERCIAL BANKS
IN INDONESIA

Subject : Interest Rate Margins for the Blanket Guarantee for Third Party
Deposits and Interbank Money Market Placements

In reference to Bank Indonesia Regulation Number 6/11/PBI/2004 dated April 12, 2004, concerning Blanket Guarantee Interest Rates for Deposits and the Interbank Money Market (State Gazette of the Republic of Indonesia Number 39 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 3483), as amended by Bank Indonesia Regulation Number 7/11/PBI/2005 dated March 31, 2005, (State Gazette of the Republic of Indonesia Number 34 of 2005, Supplement to the State Gazette of the Republic of Indonesia Number 4491), Bank Indonesia stipulates the interest rate margins for the blanket guarantee for deposits and the interbank money market as follows:

1. The Margin on the Maximum Interest Rate for Rupiah Deposits is as follows:

Tenor	Margin (basis points)
1 month	Plus 0 (zero)
3 months	Plus 5 (five)
6 months	Plus 10 (ten)
12 months	Plus 25 (twenty-five)
24 months	Plus 55 (fifty-five)

of the weighted average discount rate for SBIs in the 3 (three) month tenor in the latest auction.

2. The ...

2. The Margin on the Maximum Interest Rate for US Dollar Deposits is prescribed as follows:

Tenor	Margin (basis points)
1 month	Plus 106 (one hundred and six)
3 months	Plus 102 (one hundred and two)
6 months	Plus 95 (ninety-five)
12 months	Plus 86 (eighty-six)
24 months	Plus 89 (eighty-nine)

of the average US dollar time deposit rate for member banks in the Jakarta Interbank Offered Rate (JIBOR), determined by Bank Indonesia for a specific period during the previous 1 (one) month.

3. The Margin for the maximum Interbank Money Market Interest Rate is as follows:
- The margin for the maximum interest rate on the Rupiah interbank money market guaranteed by the Government is 0 (zero) basis points above the weighted average overnight interest rate on the Rupiah interbank money market for JIBOR member banks as determined by Bank Indonesia over the preceding 1 (one) month.
 - The margin for the maximum interest rate on the US Dollar interbank money market guaranteed by the Government is 220 (two hundred and twenty) basis points below the weighted average overnight interest rate on the US Dollar interbank money market for JIBOR member banks as determined by Bank Indonesia over the preceding 1 (one) month.

With the enactment of this Circular Letter, Circular Letter of Bank Indonesia Number 7/20/DPM dated July 1, 2005, concerning Interest Rate Margins for the Blanket Guarantee for Deposits and Interbank Money Market is revoked and declared no longer valid.

The provisions in this Circular Letter shall come into force on August 1, 2005.

For the public to be informed, it is ordered that this Circular Letter be published in the State Gazette of the Republic of Indonesia.

Kindly be informed.

BANK INDONESIA,

BUDI MULYA
DIRECTOR OF MONETARY MANAGEMENT